



# **Annual Report and Financial Statements**

**for the year ended 31 March 2020**

Registered Charity Number - 1155110

## Spirit of 2012

### For the Year Ended 31 March 2020

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## Spirit of 2012

### Trustee's report

For the year ended 31 March 2020

## CHARITY INFORMATION

<b>Trustee</b>	The sole Trustee is Spirit of 2012 Trustee Limited as Corporate Trustee
<b>Directors</b>	Sana Amin James Dacre Tim Elwell-Sutton Jane, Lady Gibson Kieran Harding Raj Jethwa Graham Loader Susie Rodgers MBE Oksana Yesina
<b>Secretary and Trust Administrator</b>	Debbie Lye OBE (to 31 July 2019) Ruth Hollis (from 1 August 2019)
<b>Protector</b>	Jon Siddall
<b>Key Executive Management Personnel</b>	Ruth Hollis, Chief Executive Jane Duncan, Head of Finance and Operations Amy Finch, Head of Programmes and Impact
<b>Solicitors and Company Secretary to Spirit of 2012 Trustee Limited</b>	Bates Wells 10 Queen Street Place London EC4R 1BE
<b>Principal Office</b>	Room S100, New Wing Somerset House, Strand London WC2R 1LA
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Metro Bank One Southampton Row London WC1B 5HA
<b>Investment Managers</b>	Barclays Wealth Management 1 Churchill Place London E14 5HP

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

The Trustee presents its Annual Report and Financial Statements of Spirit of 2012 for the year ended 31 March 2020. The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the Financial Statements and comply with the Trust Deed, the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (as amended for accounting periods commencing from 1 January 2015).

In preparing this report and Financial Statements, the Trustee has complied with its duty in Section 17 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission. The benefit to the public is manifestly demonstrated by the achievements contained in this report.

#### FOREWORD FROM THE CHAIR AND CHIEF EXECUTIVE

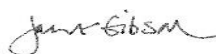
This past year (2019-20) has been one of significant change for Spirit of 2012, even before the seismic shifts of the Coronavirus pandemic at the end of the period, not least the appointment of both a new Chair and Chief Executive to lead Spirit into the second half of its life and towards the spend-out period.

We want to give special thanks to Debbie Lye, OBE, for her stewardship of, and commitment to, Spirit of 2012 in the first phase of its life, and congratulate her on her honour, awarded in June 2019 in recognition of both her contribution to charitable work both at Spirit and in her previous career. It is thanks to her – and serving and previous board members – that we have such firm foundations to build on as we look forward.

In January 2020, we launched our new vision *Happier People, Happier Places* in the House of Lords, generously hosted by our Patron Dame Tanni Grey-Thompson. [This strategy](#) sets the course for the remainder of Spirit of 2012's life and sets our firm intention to commit the remainder of our endowment by the end of 2022 and look to spend out by 2026 at the latest.

In developing the strategy, we revisited the central, founding rationale for creating Spirit – to sustain and nurture the common sense of purpose, joy and togetherness established during the 2012 Olympic and Paralympic Games. We strongly believe that local and national events, like the London 2012 Games, can, with the right intention and investment, be powerful catalysts for change. At the time of writing, as we begin to look towards connecting and reconnecting communities post-pandemic, it seems more important than ever that Spirit of 2012 should work with strategic partners and wider networks to deepen funders', the government's and wider civil society's understanding of the power of events to create lasting social legacies for people and places.

Evaluation, impact and sharing what works is at the heart of everything we do, and there is much in this year's annual report of which we are proud. We have come a long way, but there is still much work to do, and we are looking forward to working closely with existing and new partners to deliver our bold new strategy.



Jane, Lady Gibson  
Chair, Spirit of 2012



Ruth Hollis  
Chief Executive, Spirit of 2012

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

#### VISION, OBJECTIVES AND VALUES

*"The pursuit of happiness is not some fluffy nice-to-have or middle-class luxury; it's about helping people to live better lives and creating a society that is more productive, healthy and cohesive."*

- Mark Williamson, Director, Action for Happiness

In January 2020 Spirit of 2012 launched our new strategy *Happier People, Happier Places* at the House of Lords, hosted by our Patron Dame Tanni Grey-Thompson.

Happiness is at Spirit of 2012's core, and our purpose is to fund projects that increase the happiness of individuals and their communities. Events like the Olympics, Paralympics, and UK Cities of Culture unite people from all walks of life in joyful, optimistic experiences. They connect us to our past, our heritage and our identity, as well as to our hopes and dreams for the future. But how do you capture that moment and make it last so that it has a long-term role in promoting wellbeing and community connections? From our experience, it is not just what you do, but how you do it that removes barriers to participation and keeps people coming back.

This is the key to the *Happier People, Happier Places* strategy. Spirit won't be here forever, and that's why we will use the remaining six years of our life and all the resources at our disposal to test and refine approaches, understand what works and share that understanding, not only to cultivate Happier People and Happier Places now, but also long after we've gone.

#### Our purpose

Spirit of 2012's mission is to build sustainable social legacies from the inspiration of events, investing to improve how people feel about themselves, other people and their communities.

#### Our priorities

We will use our remaining National Lottery resources to maximise people's happiness. In doing this we will:

- ✚ **Build the evidence base:** learn what works to improve wellbeing and social cohesion and how to capture and share it to have a sustained impact after Spirit funding ends.
- ✚ **Work in partnership:** attract funds and partners that increase the value of Spirit investment by disbursing & matching our funding and contributing to, sharing & amplifying learning through their networks.
- ✚ **Break down barriers:** fund projects for everyone but recognise that some people face greater barriers to participation and need extra support. Build evidenced good practice for reducing these barriers.
- ✚ **Champion genuine inclusion:** use our funding to promote the benefits and understanding of genuine inclusion that enables disabled and non-disabled people to participate, volunteer and lead together as equals.
- ✚ **Influence:** embed our learning and codify our approach so that it can reach and influence wider policy and practice through personal connections, public platforms, best practice guidance and toolkits, to leave a sustained impact.





## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

##### Our values

We are not a faceless funder; we stay close to our projects. We invest in happiness by empowering people to get active, connected and creative so they feel better. We always strive to be:

-  Fair: committed to transparency and equal chances;
-  Focused: channelling our effort to move the world closer to our vision;
-  Forthright: straightforward, open and upfront with everyone;
-  Friendly: kind, always treating others with respect.

## ACHIEVEMENTS AND PERFORMANCE

### 2019-20 highlights

This financial year has been a pivotal one for Spirit of 2012, with changes in leadership and launching our new strategy. We have continued to invest in projects across our active, connected and creative strands, working in partnership with others to extend our reach, learning and funding.

#### **Launch of *Happier People, Happier Places***

In January 2020, Spirit of 2012 launched our new strategy, *Happier People, Happier Places*. The new strategy was developed throughout 2019 and was agreed by the Spirit Board in October 2019.

#### **Learning and networking**

Peer learning is a key priority for Spirit of 2012. Throughout 2019-20 we have brought grantees together to share learning and insight and give grantees an opportunity to network and connect.

Our first learning event of the year was in May 2019 when we brought grantees together along with our evaluation partner, Behavioural Insights Team, to learn, and develop their evaluation practice. Following this we hosted learning days for the Music Challenge Fund, the Carers' Music Fund and the Changing Lives through Sport and Physical Activity Fund. Each of these were well attended and welcomed by grantees who engaged in a range of active learning activities and heard presentations from several relevant stakeholders.

The learning highlight of the year was our grantee gathering in November 2019. This is an annual event which brings together all Spirit grantees from across the UK. Around 50 people attended and took part in speed networking, action learning and celebration through a Great Get Together.

Since the pandemic we have continued to convene these gatherings online, hosting sessions on furloughing and change management, and providing a platform and space for grantees to come together and share their emerging learning from this period.

#### **Working in partnership**

Whenever possible Spirit of 2012 works in partnership with other funders and stakeholders to add value to our funding and amplify learning.

We are delighted that both Sport England and London Marathon Charitable Trust joined Spirit of 2012 to fund phase 2 of *Get Out Get Active (GOGA)*. *Get Out Get Active* supports disabled and non-disabled people to become active through inclusive recreational physical activity. The new

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

investment from Sport England and London Marathon Charitable Trust will extend the reach of the programme across the UK and support more people on their active journey.

The Carers' Music Fund, delivered on behalf of the Department for Digital, Culture, Media and Sport (DCMS) through the Tampon Tax Fund, provides opportunities for women and girls with caring responsibilities to take part in music interventions. Spirit of 2012 provided a complementary fund to enable projects to define bespoke solutions for looking after the 'cared for' to address the most significant potential barrier to participation. In addition, we have convened an expert partnership to take forward the evaluation and learning of the Carers' Music Fund, led by the What Works Centre for Wellbeing, with Carers UK and Apteligen.

Over 2019-20 we are delighted to have worked with the following partners:

-  Agile CIC
-  Apteligen
-  Behavioural Insights Team
-  Belong – the Cohesion & Integration network
-  Birmingham 2022
-  British Olympic Foundation
-  Carers UK
-  Department for Digital, Culture, Media and Sport (DCMS)
-  Evaluation Support Scotland
-  InFocus Consulting
-  Jo Cox Foundation
-  London Marathon Charitable Trust
-  National Lottery Community Fund
-  Renaisi
-  Scottish Government
-  Sport England
-  **sport**scotland
-  The Robertson Trust
-  UK Active
-  What Works Centre for Wellbeing

Thank you to all our partners, without whom much of our funding and learning work would not be possible.

#### What we have funded this year

Spirit of 2012 funds projects that enable people to be **active, connected and creative**. These three activity strands directly relate to known domains of improving wellbeing and highlight our commitment to promoting social cohesion and community connectedness. They are underpinned by a commitment to inclusion, which means that we expect grants to bring disabled and non-disabled people together on an equal basis to participate in activities, and in the design, development and leadership of projects.

## Spirit of 2012

### Trustee's report

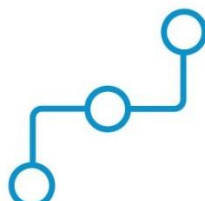
#### For the year ended 31 March 2020

Our funding paid in the year 2019-20:

### ACTIVE / CONNECTED / CREATIVE



£2.4 million



£2.2 million



£1.2 million

Spirit awarded **18** new grants in 2019-20 including:

#### *Get Out Get Active – Activity Alliance*



This extended impact grant will extend the reach of the *Get Out Get Active (GOGA)* programme across the UK and is delivered by a consortium of disability sport organisations led by the Activity Alliance. It will support disabled and non-disabled people to become active through inclusive recreational activity. Spirit of 2012's grant of £3 million is match funded by a £1 million grant from both Sport England and the London Marathon Charitable Trust.

#### *Moment to Movement - Jo Cox Foundation*

This project aims to build a society of stronger and happier communities. It will strengthen and grow the More in Common community and grow the Great Get Together as a national community-building initiative.

#### *Carers' Music Fund*

The Carers' Music Fund supports ten projects across the UK that directly enhance the lives of girls and women with caring responsibilities. Projects engage girls and women in music activities with the aim of reducing loneliness, improving their mental health and wellbeing, and challenging and changing gendered perceptions of, and attitudes towards, caring. The fund is supported by a £1.5 million Tampon Tax grant awarded to Spirit of 2012 by the Department for Digital, Culture, Media and Sport. Ten grants were awarded from the fund to the following organisations:

-  Barnardos
-  Blackpool Carers Centre
-  Fèis Rois
-  Jack Drum Arts
-  Midlands Arts Centre
-  My Pockets
-  Noise Solution
-  Northamptonshire Carers
-  Oh Yeah Music Centre
-  UK Youth



## **Spirit of 2012**

### **Trustee's report**

#### **For the year ended 31 March 2020**

##### *British Olympic Foundation - Travel to Tokyo*

This grant will extend the reach of the Get Set Travel to Tokyo programme to include Scotland, Wales and Northern Ireland, building on the investment of £2 million from Sport England to develop the project for England. Travel to Tokyo inspires children aged between 5-11 and their families to get active in the run up to the Tokyo Olympic and Paralympic Games. The project will work with schools across the UK to break down barriers and change attitudes to physical activity.

##### *Various grantees – Great Get Togethers*

In June 2019, Spirit awarded 27 micro-grants to a number of existing delivery partners to hold Great Get Togethers across the UK to bring communities together to eat, drink, talk and connect. The Great Get Together is a nationwide movement of community action and has seen millions of people take part in thousands of events since it began in 2017. The funded projects were supported by Spirit of 2012 and the Jo Cox Foundation through resource packs, marketing materials to promote the events, and tips for hosting events through the Great Get Together website.

30 projects continued in 2019-20 and 9 projects closed during this year.

#### **Programme expenditure**

Spirit of 2012 has committed a total of £40 million to grants over its lifetime, of which it has spent £33 million. Grantees have returned a total of £1.5 million in awarded funds to us as grants underspent. Any grant underspends are recycled through programmes as grants. Over the year Spirit of 2012 committed a total of £6.6 million in grants.

#### **Programme income & match funding**

In 2013, the Board of Directors agreed with the National Lottery Community Fund (formerly the Big Lottery Fund) ("the Founder") to generate a target of £20 million as income or match funding over the lifetime of the Trust. To date, Spirit of 2012 has secured £22.9 million in match funding. Included in these figures is an additional £1.5 million grant which we secured during the year from the Department of Digital, Culture, Media & Sport to fund the Carers' Music Fund, £300,000 additional matched funding from the #iwill Fund as well as £2 million in match funding on phase 2 of the Get Out Get Active programme.

## Spirit of 2012

### Trustee's report

For the year ended 31 March 2020

#### IMPACT AND LEARNING

In making the endowment, the Founder expressed the expectation that Spirit's investment in events-inspired activities would contribute to the store of knowledge and understanding about how events can benefit communities. Spirit of 2012 places significant emphasis on monitoring and evaluation, treating data collection as an integral and formative part of the development of any funded project.

#### Spirit of 2012 impact statement

Spirit of 2012 commitment to individual and social change is represented in a [Theory of Change](#) and impact statement:

**We believe that enabling people to participate in a wide range of inclusive activities and engaging together in their communities will:**

- improve the wellbeing of individuals, communities and society as a whole;**
- improve perceptions, including self-perceptions, and attitudes towards disability and impairment;**
- lead to greater social cohesion and understanding.**

The impact statement, outcomes and indicators are integral to all Spirit of 2012 grant applications, which are assessed on the quality and rigour of proposals to work towards them.

From the outset, the Board has prioritised the collection, analysis and sharing of learning about the outcomes and impacts generated by its grant-making. The Theory of Change provides a common reporting framework across Spirit of 2012's diverse range of funded projects which enables the measurement of progress towards eight high-level outcomes, using a suite of agreed indicators.

#### Improved wellbeing

We take happiness seriously. At Spirit of 2012's very core, our purpose is to fund projects that increase the happiness of individuals and their communities. Improved wellbeing, therefore, is a core outcome that all Spirit of 2012 grantees must aim to achieve and measure progress against.

In January we published a fresh set of data demonstrating the collected impact of our grants to date on increasing individual wellbeing. Based on the ONS4 subjective wellbeing measure, the data shows increases in the number of people reporting high wellbeing after taking part in the activities that we fund.



Data was validated by our external evaluation partner Renaisi and for more information on the methodology please contact us or see our [Happier People, Happier Places](#) publication.

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

Our projects vary widely in scale and type and so there are limits to what we can decide from these aggregated figures. However, there are common features in the ethos and approach no matter who our grantees are working with, and what activity they choose to deliver in. As we explore the data further, we are gaining a better understanding of what works, and hope to take a deeper look at where and for whom our funded work has the greatest improvement on wellbeing.

#### Improved perceptions and attitudes towards disability

Throughout 2019-20 Spirit of 2012 has supported projects to bring disabled and non-disabled people together to participate in activities as equals with the aim of challenging and changing negative perceptions and attitudes towards disability and impairment.

**Get Out Get Active (Activity Alliance)** brings disabled people and non-disabled people across the UK together to take part in inclusive physical activity. The 'active together' approach taken by GOGA has had a positive impact on perception and attitudes to disability with 65% saying they have a more positive view of disabled people as a result of their participation in GOGA. This approach enables more people to be reached and engage in activities than more traditional sports participation as it focusses on bringing together families, friend, carers and anyone accompanying participants to activities with an emphasis of everyone being active together. We also know that it addresses a desire from disabled people to be active with their families and peers rather than in separate impairment-focussed groups.

*"There might be a surfing session and the one participant might be disabled but the whole family are going surfing rather than sat watching. They have been able to mix with other families too. This has been successful so we will continue to roll out this approach to other areas of the organisation."*

**Jess, GOGA Pembrokeshire**

#### Greater social cohesion and understanding

Spirit of 2012 continues to bring people from different backgrounds together. Throughout 2019-20 we have supported projects to engage and connect people through participation and volunteering. Participants and volunteers regularly refer to the new friends they have made as a result of taking part in the project. Our qualitative evidence continues to show a strong relationship between social connectedness and increased wellbeing.

**Breaking Boundaries (Youth Sport Trust in partnership with Sporting Equals)** brings together young people from diverse ethnic and religious backgrounds through a shared love of cricket. In 2019 the Cricket World Cup was hosted in England and, when the home team consequently won the title, Breaking Boundaries was able to capitalise on this enthusiasm to engage people with their activities. The project team is taking an intersectional approach to cohesion, looking at how gender, age and disability also impact on community cohesion in each of the five cities taking part.

**14-NOW (Springboard Opportunities)** brings people together in three communities in Northern Ireland to take part in community activities and increase community connectedness. Despite the challenges in bringing together isolated and segregated communities, they have achieved a positive impact in social connectedness, with an increase of 48% in participants feeling engaged or very engaged in their community than before the launch of the project. There was also an increase of 50% in those who identified feeling very or mostly proud in their contribution to their community. Overall, there was an increase in participants feeling empowered to get involved in

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

different activities within their communities across arts and culture, leisure, sport and volunteering.

*'It [the project] generated a sense of community. I brought people from outside the area just to come along. As a single mother (one of the participants) was looking for something safe, where she can relax, have a chat, but feel safe and have the kids play. Where she lives, she wouldn't do that'*

#### **Participant in the Christmas Cohesion event**

#### Learning initiatives

A key priority for Spirit of 2012 is learning and sharing. We want to learn what works to improve wellbeing and social cohesion and how to capture and share it to have a sustained impact after Spirit of 2012 funding ends. This includes investing in, and working with, a range of partners around specific thematic areas where we want to learn more and build the evidence base and providing grants to enable organisations to bring evidence into practice.

In August 2019, after a competitive application process, we appointed Renaisi as our external evaluation partner for the next three years. Renaisi will support us to identify the impact of our investments, understand what makes positive change more or less likely, and consider what role Spirit of 2012 as a funder plays – above and beyond providing the financial resources – in creating the conditions for positive change.

Learning initiatives undertaken in 2019-20 include:

- ✚ **Moment to Movement** Spirit of 2012 is working with InFocus Consulting to better understand how community events best inspire social action. This research will explore how moments (community events) lead to movements (longer-term social actions that connect back to the spirit of the original event). The intention of the research is to generate useful learning and practical recommendations that can support Spirit of 2012's grantees, and the wider development sector to run more effective and impactful events.
- ✚ **Volunteering and wellbeing** Spirit of 2012 and the What Works Centre for Wellbeing have jointly commissioned a Rapid Evidence Assessment to identify, collate and appraise the evidence of the wellbeing impact of volunteering interventions.
- ✚ **Social cohesion toolkit** Spirit of 2012 has awarded Belong – the cohesion and integration network – a grant to develop a toolkit bringing together best practice on cohesion and integration.
- ✚ **Thrive Learning Programme** Spirit of 2012 and Changing Lives through Sport and Physical Activity Fund partners have commissioned Agile CIC and Evaluation Support Scotland to support sport and physical activity practitioners to upskill and improve their practice.
- ✚ **Carers' Music Fund Learning Partnership** Spirit of 2012 and the What Works Centre for Wellbeing are working in partnership with Apteligen and Carers UK to take forward the evaluation and learning from the Carers' Music Fund.

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

### FINANCIAL REVIEW

#### Income generation

During the year, Spirit secured grants of £1.85 million. This includes £1.5 million from DCMS through the Tampon Tax Fund for the Carers' Music Fund. This grant is paid in arrears based on spend by our ten grantees and £902,729 is recognised in 2019/20 with the remainder expected in 2020/21. A further £0.3 million was secured from the #iwill Fund to extend the EmpowHER programme into more regions and an additional cohort of participants. £55,000 was also awarded by The Robertson Trust towards the rollout of the Thrive toolkit. Total income is shown in the Statement of Financial Activities at £1,234,975 (2019: £1,431,408) including investment income.

#### Grant expenditure

Grants committed in the year increased to £6,643,601 (2019: £5,307,320) across the three Spirit portfolios: Active, Connected and Creative, as well as the Incubation Fund. The largest elements of this are £3 million for phase 2 of Get Out Get Active and £1.6 million across our 10 projects in the Carers' Music Fund.

#### Other costs

Other direct charitable expenditure costs relating to grant management and learning support was £640,195 (2019: £667,378) in the year. This includes Monitoring and Evaluation contract costs, which increased again this year as Spirit carried out several research projects, evaluation support for grant holders and awarded a three-year evaluation contract to Renaisi. Programme Development costs were similar between 2020 and 2019 but event costs were lower this year due to the type of large event that we ran. Total expenditure is shown in the Statement of Financial Activities at £7,661,650 (2019: £6,430,872).

#### Investment policy and performance

In 2014 the Board appointed Barclays Wealth Management as investment managers mandated to manage Spirit's investments in line with our Investment Policy. The Investment Policy is reviewed regularly by the Finance & Investment Committee and recommended to Board.

Representatives of Barclays Wealth Management attend each quarterly meeting of the Finance & Investment Committee and answer questions on their fund management performance. The investment managers are also invited to attend Board meetings at least once a year to give an account of their performance, review the drawdown policy over the remaining life of the endowment and respond to any questions that the Board has regarding the investments.

Following the recent volatility in the markets, due to the Coronavirus pandemic, the Finance & Investment Committee has worked closely with Barclays to ensure that they, and the Board, are kept up to date with changes in the portfolio value and make-up, and are reacting where required to retain value and planned risk profile. The Committee is reassured with the performance of our investments after the year end which has regained some of the pre-year end losses.

#### Reserves policy

In 2013 Spirit of 2012 was granted a spend-out endowment by the National Lottery Community Fund (then the BIG Lottery Fund). The endowment was originally £40 million, which subsequently increased through additional grants and novations to £47 million. Spirit of 2012 is required to

## **Spirit of 2012**

### **Trustee's report**

#### **For the year ended 31 March 2020**

have spent all of the original endowment by October 2028 under the terms of their supplemental deed, though is aiming to do so by the end of 2026.

This means that there is currently no reserves policy, as the emphasis is on investing the money wisely and spending out by the specified date. Directors seek to maximise returns during the projected life of the organisation and maintain a tightly managed cashflow adequate to meet, but not exceed, grant funding commitments rather than hold funds in reserve.

As Spirit of 2012 approaches its end of life the Board, in discussion with the Founder, will take a view on a prudent level of reserves to hold as the endowment is spent down. At that point, the Board will need to agree a reserves policy.

At the start of this period Spirit of 2012 held total funds of £17,930,186 and at 31 March 2020 these had reduced to £10,557,247, after accounting for all current grant commitments. These funds include £(455,028) (2019: £243,141) of restricted funds as detailed in note 18 of the Financial Statements. The restricted funds are showing as negative due to the grant agreement structure of the Carers' Music Fund. DCMS awarded Spirit of 2012 £1.5 million for the fund but, because the grant is paid in arrears, only the proportion that has been received in the year is included as income. The full amount of grants awarded by Spirit of 2012 has been accrued because we have committed to the full amount for the 10 onward grants in the fund and this has been included as expenditure. This fund will return to a positive position as the projects incur the expected delivery costs and we receive the next quarterly payment in arrears from DCMS.

The remaining funds of £11,012,275 (2019: £17,687,045) is for use by Spirit of 2012 to further its objects and will be allocated to projects on award of grants by Board as well as covering the costs of running the Charity. Of these £1,970,560 (2019: £2,339,906) is unrestricted and the remainder of £9,041,715 (2019: £15,347,139) is the Endowment Fund.

In light of the current Coronavirus pandemic, we have reviewed the Charity's position and in spite of the falls in the investment portfolio valuation at the year-end we believe that the Charity has enough reserves and cash to meet its ongoing grant commitments for the foreseeable future and therefore the going concern basis still applies.

## Spirit of 2012

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#### PLANS FOR THE FUTURE

Spirit of 2012 is now more than half-way through our original ten-year term as a spend-out Trust and the Founder has granted Spirit a Supplemental Deed to extend its life a further five years to 2028. As set out in the foreword, the Board has set a firm intention to commit our existing endowment by the end of 2022 and spend out by 2026. These dates will be kept under review because of the impact of the current crisis.

In the short term Spirit is focussed on supporting our grantees to weather the pandemic and develop their offer to comply with physical distancing measures which compromise their ability to deliver participatory activities. We have seen real innovation from our grantees in how to continue their work with participants despite the restrictions and we want to capture and share that learning more widely so that future grant funding offers build on these insights and learning as well as learning from 'business as usual'.

In summer 2020, our Youth Advisory Panel (YAP) will award its fourth grant, for a project focussed on delivering intergenerational arts and cultural activity in a coastal setting. The Spirit of Achievement Panel together with the Birmingham 2022 Commonwealth Games Culture Team, will also award three grants to projects which will use the Commonwealth Games as inspiration to reach new audiences and encourage people in the West Midlands to participate in arts and cultural activities.

The *Happier People, Happier Places* strategy prioritises cross-grant learning and insights, using these to influence policy and practice across a wide range of current policy priorities: loneliness; inactivity; cultural disengagement; volunteering and social action. We'll combine the learning and insight from the projects we fund with commissioned research with strategic partners including the What Works Centre for Wellbeing and Belong, to provide robust evidence for effective strategies for improving individual and community wellbeing and cohesion through participation.

Looking further ahead, Spirit of 2012 is developing a new multi-year funding partnership programme to leverage opportunities from the 2022 10<sup>th</sup> anniversary of the London Games and Birmingham Commonwealth Games to further our mission to unlock happier people and happier places using the spark of events as a catalyst, and build on Spirit's six years' of evidence and insight.

Finally, as we have set the course for spending out by 2026, Spirit will begin the process of planning the spend-out period both for our grant-funded work and for the organisation, Board and staff team.

## Spirit of 2012

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#### For the year ended 31 March 2020

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Structure





Spirit of 2012 is a charitable trust, registered on 20 December 2013 (charity number 1155110) governed by the Trust Deed dated 7 October 2013. On 29 March 2014, a Deed of Amendment to the Spirit of 2012 Trust Deed was made, with the consent of the Founder and Protector, to clarify the Spirit's charitable objects and amend the definition of the Protector's role.

It was granted an initial £40 million endowment from the National Lottery Community Fund (formerly the Big Lottery Fund) ("the Founder") on 20 December 2013 with the condition that the endowment and all gains arising from it must be expended by 7 October 2023. The sole Trustee of Spirit of 2012 is a company limited by guarantee, Spirit of 2012 Trustee Limited ("the Trustee"), which was incorporated on 4 April 2013. In April 2014, the Founder novated to Spirit the management of five grants, and on the same day transferred £4.57 million to Spirit as restricted funding for those projects. The Founder subsequently added £2.5 million to the Spirit endowment to support development of a Theory of Change and Monitoring and Evaluation framework, and to fund early projects to deliver Spirit's mission. At its meeting on 16 January 2019 the Board of Directors of the Trustee agreed to sign a Supplemental Deed to the Trust Deed, drafted by the Founder, which extends the potential endowment term for up to a further five years, to October 2028.

### Charitable Objects

Spirit of 2012 exists for the public benefit. Through our grant-making and focus on monitoring, evaluation and insight Spirit funds projects that leave a lasting social legacy from the inspiration of national, regional and local events, helping communities flourish and thrive, and measuring the benefits at individual and community level.

Spirit's objects are *"the promotion of the following Charitable Purposes for the benefit of the public throughout the United Kingdom of Great Britain and Northern Ireland:*

-  *The advancement of the education of children and young people, including but not limited to sporting and cultural activities by encouraging good citizenship.*
-  *Increasing the effectiveness and efficiency of the Voluntary Sector by encouraging members of the public to engage in activities to help others on a voluntary basis.*
-  *The development of the capacity and skills of members of socially and economically or socially disadvantaged communities in such a way that they are better able to identify and meet their own needs and to participate more fully in society.*
-  *Promoting greater understanding and meeting the needs of people with disabilities and thereby encourage their social inclusion and to use training and other activities to build their confidence and inspire others."*

### Governance

The Board of Directors of the Trustee sets the strategic direction for Spirit. Directors are fully responsible for governance and major grant awards (over £50,000). The Board meets in full four times a year.



## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

In October 2019, Jane, Lady Gibson was appointed as Chair, unanimously, by the Board.

In the summer of 2019, following the agreement of the new strategy and priorities, the Chair and CEO reviewed Spirit of 2012's governance to ensure that it is fit for purpose, aligns with the Charity Governance Code and the refreshed strategic priorities of the organisation. They found, and the Board concurred, that the governance of Spirit of 2012 is fit for purpose, with some minor changes to the committee structure to be implemented over the course of 2020.

#### The Protector

Under the terms of the Trust Deed, the Founder appointed Jon Siddall as Protector with a duty *"to ensure the integrity of the administration of Spirit and the propriety of its procedures"*. The Protector does not participate in Spirit's decision making, although the deed stipulates that his consent is required in specified situations. The Protector is required to report any matters of serious concern to the Founder. This year the Founder has reappointed him for a third term until December 2022. The Protector's Report can be found on pages 48-50.

#### Committees

Three Committees of the Board oversee governance, risk and financial management, investment strategy and the grant making and research strategies. Each committee includes at least two Directors of the Trustee, and committee meetings may be attended by the Protector. The Committees are:

Audit & Risk Committee

Chair – Graham Loader

The Audit & Risk (A&R) Committee meets twice a year and is responsible for overseeing and providing assurance on the framework for accountability to our Founder and to the Charity Commission. It oversees Spirit of 2012's risk management framework, scrutinises the Risk and Issues Register, scrutinises internal and external audits, and reviews and approves operational policies. Derrick Woolf attends A&R as an external expert.

Finance & Investment Committee

Chair – Vikash Gupta (until July 2019),  
Oksana Yesina (from August 2019)

The Finance & Investment Committee (F&I) meets four times a year and is responsible for all aspects of Spirit of 2012 financial and investment strategy and management, including staff remuneration.

Programme Impact & Evaluation Committee

Chair – Jane, Lady Gibson

The Programme Impact Evaluation Committee (PIE) meets three times a year and is responsible for Spirit's policy and issues relating to the monitoring, evaluation and impact reporting of Spirit's grant-funded programmes and research and evaluation contracts. In addition to Spirit of 2012 Directors, three external members bring their expertise to PIE: Phil Batty, Mark Robinson and Bill Morris, LVO.

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

#### Director recruitment and training

Directors are appointed by the Board to provide the skills, sectoral, national and regional knowledge required by Spirit of 2012. Initial recruitment is for a one-year probation period, after which Directors can be appointed for two three-year terms. Spirit of 2012 recruits Directors through open recruitment campaigns wherever possible, with vacant posts advertised on its website and through agencies. During the period Vikash Gupta (July 2019) resigned and we ran a limited competition through LinkedIn and held interviews to find a new investment specialist for the Board, and to chair the Finance & Investment Committee. Oksana Yesina was appointed in October 2019. Linda Grant resigned on 22 April 2020. Spirit has finished the year with two Director vacancies. In April 2020, the Board agreed to hold off filling these vacancies in the short term until after the Coronavirus crisis.

New appointees are given a formal induction to the organisation and their governance responsibilities. All Directors are offered training and development opportunities from the Association of Charitable Foundations (ACF) and our legal and audit advisers (Bates Wells and Buzzacott, respectively) amongst others. In this period two Board Directors attended the ACF two-day course on Investment Management.

#### Board and Committee Meeting membership and attendance

Board member	Appointment / Resignation Date	Board and Committee Attendance			
		Board	F&I	A&R	PIE
Sana Amin		3 / 4			
James Dacre		4 / 4	3 / 4		
Tim Elwell-Sutton		4 / 4			2 / 3
Jane, Lady Gibson		4 / 4			3 / 3
Linda Grant	Resigned 22 April 2020	4 / 4	3 / 4		
Vikash Gupta	Resigned 10 July 2019	2 / 2	1 / 1		
Kieran Harding		2 / 4			3 / 3
Raj Jethwa		4 / 4		2 / 2	
Graham Loader		3 / 4	1 / 4	2 / 2	
Susie Rodgers		2 / 4		0 / 2	
Oksana Yesina	Appointed 11 July 2019	3 / 3	3 / 3		

In addition to the formal Committees, Director Susie Rodgers chairs an informal Spirit of Achievement Panel including external experts, which focuses on increasing the inclusivity and diversity of Spirit's beneficiaries. The Spirit of 2012 Youth Advisory Panel (YAP) also advises the Board, and Board and staff members act as mentors to the young people who sit on it. Sana Amin is the Panel Chair and represents the panel on the Board.

#### Conflicts of interest, related parties and other connected bodies

Details of related parties and relevant transactions are logged in a Register of Interests, maintained according to the Conflicts of Interest Policy, and in Board and Committee meeting minutes, to capture any new conflicts or interests. They are disclosed in note 21 to the Financial Statements.

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

There were no other transactions with related parties in the year. The Executive also maintains a gifts and hospitality register for both Directors and the Executive.

#### Management

Debbie Lye, OBE, founding Chief Executive of Spirit of 2012 left the organisation in July 2019. After a rigorous and extensive open competition, Ruth Hollis was appointed CEO and took up the post on 1 August 2019.

The Senior Management Team is led by Ruth with Jane Duncan, Head of Finance and Operations and Amy Finch, Head of Programmes and Impact.<sup>1</sup> Spirit of 2012 has nine permanent members of staff and two on fixed-term appointments. The team is split into three smaller teams covering Programmes, Operations and Communications.

#### Training and development

All staff have an annual Personal Development Plan (PDP) setting out how they will contribute to achieving Spirit of 2012's business objectives. In addition, the plan asks staff members and their line manager to consider their training and development needs and set development objectives that can be pursued through a range of internal and external training opportunities. Spirit is committed to the wellbeing of staff, and this year we have updated the PDP form to ask all staff to record two wellbeing objectives, to enable staff to share, record and value the things that they can do at work to support their mental health and wellbeing.

#### Equality, Diversity and Inclusion

Spirit takes its responsibilities around promoting Equality, Diversity and Inclusion (EDI), both through grant-funded programmes, and in respect of the staff team and Board, very seriously. During the year we commissioned Disability Rights UK to produce a bespoke training course on all aspects of EDI and protected characteristics which was attended by all staff and the Chair.

#### Remuneration

There is no remuneration element to Spirit of 2012's performance management system and we do not operate an individual bonus scheme. We benchmark all salaries within four salary bands, Contributor, Manager, Leader and Chief Executive, allocate all jobs to one of those bands, using market comparators, and publish a specific figure from within the appropriate band when advertising jobs. Successful candidates agree their actual starting salary with us before they receive a formal written job offer letter and take up their post. Spirit produces and publishes internally a salary-setting policy to maximise remuneration transparency.

The Finance & Investment Committee recommends an annual salary increase of up to 3.2%, based on the recommendation of the Executive, to the October Board. This takes into account relevant RPI and CPI indexes (in July of each year) and other benchmarking information.

#### Business objectives

Spirit's annual Operational Corporate Plan (OCP) which sets out strategic objectives, derived from the Charitable Objects, and the business objectives which guide operational planning and implementation.

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<sup>1</sup> Between 20 November 2019 and 31 March 2020 this post has been filled by Alex Johnston covering for Amy Finch's maternity leave

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

The business objectives are:

- ✚ Effectively and efficiently manage Spirit of 2012 to the governance standards required by the Board and the Founder.
- ✚ Lead and manage a team that embodies the Spirit of 2012 values and furthers our strategic objectives while supporting staff development and recognising their achievements.
- ✚ Implement sound, disciplined, timely and secure financial management and investment oversight.
- ✚ Maintain and increase the profile of Spirit of 2012, so that key stakeholder audiences recognise the impact of our funding and understand our values, impact and working methods.

### Risk management

Spirit of 2012's Risk Management Policy enables the Board and Executive to protect property, assets and other resources, including the health and safety of employees and partners; to safeguard business continuity; to ensure Spirit and the organisations we fund deliver on obligations; and to maintain Spirit of 2012's reputation. The Board recognises that the nature and extent of Spirit of 2012's activities may expose it to risk, and regularly and methodically assesses the extent of our exposure to risks and issues, identifying appropriate actions to avoid, manage or mitigate their impact.

The Audit & Risk Committee leads Risk Management on behalf of the Board. It reviews and endorses the Risk Management policy annually, most recently in December 2019, to ensure that Spirit of 2012:

- ✚ embeds risk management at every level of governance and operations;
- ✚ creates a systematic approach to risk management as an integral element of strategic, operational and performance management;
- ✚ helps identify, quantify and manage risk in accordance with best practice;
- ✚ ensures clear accountability for risk and issue ownership, impact assessment, effective mitigation and contingency planning.

These objectives are achieved by:

- ✚ allocating risk management roles, responsibilities and processes to named individuals;
- ✚ making risk assessment integral to all decision making, business planning and management processes;
- ✚ assessing risk, and applicants' risk management capability, when considering all grant applications;
- ✚ reviewing risk management policy and processes during annual internal reviews;
- ✚ reinforcing risk management through quarterly operational corporate plan reviews and staff development activities;
- ✚ effectively managing and resolving risks that materialise and become issues.

The Risk Register is a standing item on all A&R Committee and Board agendas.

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

#### Principal risks and impact on future activities

The most significant risks over the period were in the following areas:

- ✚ the clarity and reach of Spirit of 2012's communications on impact and funding priorities; and
- ✚ recruiting and retaining a sufficiently high calibre Executive team.

In response to these risks, and to ensure that the Executive team is able to deliver the new strategy, we conducted a limited restructuring and refocussing of the Executive team to:

- ✚ increase the capacity to collate and analyse learning and insight in the Programme Team by recruiting an additional Grant and Learning Manager
- ✚ refocus the Communications team to focus on strategic communications and engagement

We continue to actively monitor these risks as they are essential to delivering the refreshed strategy for Spirit of 2012.

The Head of Programmes and Impact maintains a dedicated risk register for programme and project risks, escalating to the main risk register as required. By the end of the period there were no significant programme risks, though during the year risks around larger projects did arise. Staff managed these through proactive and flexible engagement with grantees and, if necessary, by escalating them to senior review meetings between the Chief Executive and the senior responsible officers of the grantee organisations concerned. These focused and frank discussions resulted in performance improvement, and revised project schedules.

From March 2020 the impact of the Coronavirus pandemic became the key risk for Spirit of 2012, as it has for many, both nationally and globally. In response the Executive Team has developed a separate risk register outlining the key risks presented by the situation to Spirit of 2012 as an organisation, our grantees and partners and our investments. This special risk register was subsequently agreed by the Spirit of 2012 Board in April 2020. Coronavirus related risks include:

- ✚ negative impacts on the investment portfolio;
- ✚ negative impacts on project delivery because of suspension of face to face activities in line with Government social distancing guidance;
- ✚ the impact on Spirit's operations of staff illness and wellbeing and the shift to remote working;
- ✚ negative financial impacts on our grant funded partners due to loss of income and other grants, and reduced staffing.

These risks are being managed closely by the Executive Team, reporting regularly to the Board.

The Board has agreed to continue with Spirit of 2012's overall strategic aims and priorities as set out in the January 2020 publication, *Happier People, Happier Places*. During the crisis, the Executive Team is focussing on supporting existing grantholders to respond flexibly to the crisis and, where appropriate, adapt projects so that they can continue to connect with participants in accordance with government guidance on physical distancing. The Board committed to honouring all Spirit's existing grants and contracts and not diverting funds in a way that may put grantholders at increased risk. As we come into the recovery phases of the crisis, Spirit of 2012's focus on using

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

events to bring people together to connect through culture and the arts, physical activity and sport and social action and volunteering will be even more important for communities across the UK.

The Senior Management Team maintains a separate register of issues, which it holds confidentially, as it contains sensitive information. There were no live issues at the end of the period.

Beyond the pandemic, whilst recognising that Spirit cannot control external environmental risks – for example, macroeconomic factors like inflation, interest rates, the impact of leaving the EU and changes in legislation – the main risk register does include and list mitigations and contingencies for risks and issues arising from external influences.

#### Business continuity planning

Spirit of 2012 maintains a Business Continuity Plan (BCP) setting out the response arrangements and helps us be prepared for, and recover from, unexpected disruptions. The Coronavirus pandemic gave us a unique opportunity to test these systems. Whilst Spirit of 2012's BCP was based on recovering from short-term incidents, like a terrorist attack in Central London, rather than the longer-term business disruption of the pandemic, it did enable us to be prepared to shift operations quickly and effectively to home working for all staff, with no loss of business function.

#### Safeguarding

Spirit of 2012 maintains and regularly updates a Safeguarding Policy covering our duties and responsibilities for the safeguarding and protection of children and vulnerable adults within the projects we fund. As we have little direct contact with our beneficiaries, the responsibility sits with 'front line' grantee organisations. As part of the due diligence checks we undertake before awarding a grant we ensure grantees have an up-to-date Safeguarding Policy and a named senior officer responsible for safeguarding, which we review on an annual basis to ensure this information is up to date. Susie Rodgers is the Spirit of 2012 Board Safeguarding Champion, to whom the Executive Team reports, as set out in the policy. There were no significant issues during the period.

#### Funding strategy

Spirit of 2012 makes grants within the framework of a funding strategy agreed by the Board. This explains what we will fund, who is eligible for funding, the process for awarding and managing grants and what we expect of our grant recipients.

There are four key elements to Spirit of 2012's funding strategy:

- ✦ We commit the majority of our funds to projects designed with social outcomes at the heart, in partnership with other funders or delivery organisations wherever possible. We have awarded and will continue to award funds through both commissioning and open-application routes;
- ✦ Where there is the capacity and capability to extend and deepen the learning from existing Spirit of 2012-funded projects we will invite some existing grantholders to apply for a further grant, against agreed extension criteria;
- ✦ We will open up a small number of opportunities more widely, for organisations to apply to us through our Challenge and Incubation Funds. We construct these around specific

## Spirit of 2012

### Trustee's report

#### For the year ended 31 March 2020

- themes and/or geographies with the aim of delivering set outcomes (£100-250,000 per grant). We will always advertise these funds extensively through our website and Twitter;
- ✚ We can, and do, disburse funds on behalf of others and match fund projects to increase the impact of our and others funding.

Spirit of 2012 publishes bespoke information packs and application forms for each grant round and when funding opportunities are open, all the information that applicants need to apply appears on the Spirit of 2012 website. We also promote opportunities through our Twitter, Instagram and Facebook social media accounts. Spirit does not fund applications that fail to meet the specified assessment criteria, or unsolicited applications submitted outside the advertised opportunities.

#### Funding principles

The full Funding Principles and the broader Funding Strategy are on Spirit of 2012's website <https://www.spiritof2012.org.uk/learning/our-impact>. Directors have taken the Charity Commission's general guidance on public benefit into account in planning the Funding Strategy and making grant awards.

#### Grant management

Once Board has awarded a grant, the Executive issues a grant agreement letter with the legally-binding Terms and Conditions of the grant, setting out how we will work with the grantee during the grant period, and expectations of grantee financial and activity reporting, monitoring and evaluation and communications. All Spirit of 2012 grantees have a named Grant and Learning Manager (GLM) who will work with them for the duration of the grant-funded relationship and is their first point of contact. Spirit of 2012 is an actively-involved funder. Our Grant and Learning Managers are in regular communication with their portfolio of grants, and we seek to develop an open and honest relationship, where risks or issues are flagged early, and good practice shared amongst the community of Spirit of 2012 grantholders.

#### Transparency

As well as our website, Spirit of 2012 publishes all our funding agreements on the *360 Giving* website so that all of our grants can be viewed more widely.

#### Financial management

The investment of the National Lottery endowment awarded by the Founder is managed by Barclays Wealth, under the direction of the Finance & Investment Committee. This year has seen some volatility across the markets, especially as a result of the Coronavirus pandemic and after some big swings in the portfolio during the year, Spirit of 2012 has seen an overall decrease on the portfolio's like-for-like value. These market changes are monitored and discussed regularly between the Finance & Investment Committee and the Investment Managers.

The Finance & Investment Committee continues to operate within the Investment Policy that the Board endorsed in April 2018. This provides Barclays Wealth with an investment strategy framework. The Policy takes into account the stage reached in the term of the endowment as well as the whole-term and short-term cash flow forecasts. Due to the redemption of two structured products in the year, Spirit of 2012 had sufficient cash funds to meet its commitments for most of the year and did not need to make drawdowns from its investment portfolio. Instead, several timed cash deposits were used to maximise cash returns whilst meeting these commitments and

## **Spirit of 2012**

### **Trustee's report**

#### **For the year ended 31 March 2020**

utilising remaining funds in other total return generating investments whilst retaining a medium to low risk spread. As Spirit moves towards the end of its life, the asset allocation in the portfolio will reduce to a lower risk level to ensure that all commitments can be met up to the end of the spend out. Regular contact between the Finance & Investment Committee Chair, the Head of Finance & Operations and Barclays Wealth supports this pragmatic and vigilant approach.

The Procurement Policy specifies that in its pursuit of transparency and value for money Spirit must tender for services valued at more than £10,000. The Chief Executive or the Head of Finance and Operations sign off all contracts. Any individual contract valued at more than £10,000 additionally requires the approval of a Director. The Audit & Risk Committee reviews the list of all current contracts annually.



## Spirit of 2012

### Trustee's report

For the year ended 31 March 2020

#### Statement of Trustee's Responsibilities

The Trustee is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Spirit's Deed and laws applicable to Charities in England and Wales require the Trustee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of Spirit and of the incoming resources and application of resources of Spirit for that year. In preparing those Financial Statements, the Trustee is required to:

- ✚ select suitable accounting policies and then apply them consistently;
- ✚ observe the methods and principles in the applicable Charities SORP;
- ✚ make judgements and estimates that are reasonable and prudent;
- ✚ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ✚ prepare the financial statements on the going concern basis unless it is inappropriate to presume that Spirit will continue in business.

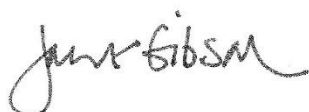
The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of Spirit of 2012 and to enable it to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Trust Deed. The Trustee is also responsible for safeguarding the assets of Spirit of 2012 and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Spirit of 2012 is responsible for the maintenance and integrity of the charity and financial information included on Spirit of 2012's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements.

#### Auditor and solicitor

Buzzacott will continue to act as our auditor, having been appointed in 2019 for a three-year period. Bates Wells has expressed their willingness to continue to act as our appointed solicitor.

Approved by the Trustee and signed on its behalf by:



**Jane, Lady Gibson**

**Chair**

8 July 2020

## Spirit of 2012

### Statement on the System of Internal Controls

#### For the Year Ended 31 March 2020

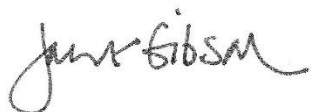
We acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated by Spirit of 2012 which supports the achievement of Spirit of 2012's objectives whilst ensuring compliance with the requirements of Spirit of 2012's governing documents.

The systems provide reasonable, though not absolute assurance, that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within the financial year, or another identified specific timeframe.

The systems of internal control are based on a framework of policies, regular management information, administrative procedures, including the segregation of duties, and a system of delegation and accountability. They include:

- ✦ comprehensive budgeting systems within the framework of policies set by Directors and an annual budget which is reviewed and agreed by the Board of the Corporate Trustee;
- ✦ scrutiny by the Finance & Investment Committee and the Board of quarterly and annual financial reports, which indicate financial performance against targets;
- ✦ an operational corporate plan that includes cash flow and budget variance targets to measure financial and other performance;
- ✦ clearly defined capital investment control guidelines within the framework of an annually-reviewed investment policy;
- ✦ formal operational risk and project management systems, processes and disciplines;
- ✦ procedures for the assessment of applications, management and monitoring of grants, ensuring that all applications are rigorously processed and scrutinised;
- ✦ a consistent model across all grants for evaluating the outputs, outcomes and impact of funded projects to ensure effective use of Spirit of 2012 grants for their intended purpose.

The Audit & Risk Committee of the Board reviews internal controls internally each year and ensures that any recommendations are actioned within six months.



**Jane, Lady Gibson**

**Chair**

**8 July 2020**



**Ruth Hollis**

**Chief Executive**

**8 July 2020**

## Spirit of 2012

### Independent Auditor's Report to the Trustee of Spirit of 2012

#### For the Year Ended 31 March 2020

#### Opinion

We have audited the accounts of Spirit of 2012 (the 'Charity') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2020 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Trustee has not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

#### Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustee is responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

## Spirit of 2012

### Independent Auditor's Report to the Trustee of Spirit of 2012

#### For the Year Ended 31 March 2020

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the accounts is inconsistent in any material respect with the Trustee's Report; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of Trustee

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustee is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Other matters

Your attention is drawn to the fact that the Charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended" in preference to the "Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005" which is referred to in the extant regulations but has now been withdrawn.

## **Spirit of 2012**

### **Independent Auditor's Report to the Trustee of Spirit of 2012**

#### **For the Year Ended 31 March 2020**

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

#### **Use of our report**

This report is made solely to the Charity's Trustee in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustee for our audit work, for this report, or for the opinions we have formed.



**For and on behalf of Buzzacott LLP**

**Chartered Accountants**

**Statutory Auditor**

130 Wood Street

London

EC2V 6DL

Date: 20 July 2020

Buzzacott LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Spirit of 2012

Statement of Financial Activities

For the Year Ended 31 March 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
<b>INCOME</b>						
<b>Charitable Activities</b>						
Grants	2	-	902,729	-	902,729	1,000,000
<b>Investment Income</b>	3	330,654	1,592	-	332,246	431,408
<b>Total Income</b>		<b>330,654</b>	<b>904,321</b>	<b>-</b>	<b>1,234,975</b>	<b>1,431,408</b>
<b>EXPENDITURE</b>						
<b>Raising Funds</b>						
Investment Management Costs		-	-	40,589	40,589	126,404
<b>Charitable Activities</b>						
Active		3,634,395	34,800	-	3,669,195	1,675,767
Connected		1,216,264	600,000	-	1,816,264	3,500,994
Creative		384,709	1,667,690	-	2,052,399	1,121,970
Incubation		83,203	-	-	83,203	5,737
<b>Total Expenditure</b>	4-9	<b>5,318,571</b>	<b>2,302,490</b>	<b>40,589</b>	<b>7,661,650</b>	<b>6,430,872</b>
Net (Losses)/Gains on Investments		-	-	(946,264)	(946,264)	284,164
<b>Net Expenditure</b>		<b>(4,987,917)</b>	<b>(1,398,169)</b>	<b>(986,853)</b>	<b>(7,372,939)</b>	<b>(4,715,300)</b>
<b>Transfers Between Funds</b>	17	<b>4,618,571</b>	<b>700,000</b>	<b>(5,318,571)</b>	<b>-</b>	<b>-</b>
<b>Net Movement in Funds</b>		<b>(369,346)</b>	<b>(698,169)</b>	<b>(6,305,424)</b>	<b>(7,372,939)</b>	<b>(4,715,300)</b>
<b>Total Funds Brought Forward at 1 April 2019</b>	17	<b>2,339,906</b>	<b>243,141</b>	<b>15,347,139</b>	<b>17,930,186</b>	<b>22,645,486</b>
<b>Total Funds Carried Forward at 31 March 2020</b>	17	<b>1,970,560</b>	<b>(455,028)</b>	<b>9,041,715</b>	<b>10,557,247</b>	<b>17,930,186</b>

All income and expenditure is derived from continuing activities

## Spirit of 2012

### Balance Sheet

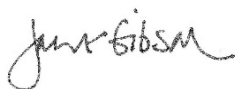
As at 31 March 2020

		2020		2019	
		£	£	£	£
<b>Fixed assets</b>	<b>Notes</b>				
Tangible assets	11	9,139		8,384	
Investments	12	10,609,535		21,129,274	
			10,618,674		21,137,658
<b>Current assets</b>					
Debtors	14	273,826		83,132	
Investments: Short term deposits	13	569,901		731,032	
Cash at bank and in hand		6,868,149		2,839,427	
		7,711,876		3,653,591	
<b>Creditors : Amounts falling due within one year</b>	15	4,481,277		4,554,387	
<b>Net current assets/(liabilities)</b>			3,230,599		(900,796)
<b>Total assets less current liabilities</b>			13,849,273		20,236,862
<b>Creditors : Amounts falling due after more than one year</b>	16		(3,292,026)		(2,306,676)
<b>Net assets</b>			10,557,247		17,930,186
<b>Represented by</b>					
Endowment Funds	19		9,041,715		15,347,139
Restricted Income Funds	18		(455,028)		243,141
Unrestricted Funds	17		1,970,560		2,339,906
<b>Total Charity funds</b>	20		10,557,247		17,930,186

The notes on pages 31 to 47 form part of these accounts

Approved by the Corporate Trustee, Spirit of 2012 Trustee Limited, on 8 July 2020

And signed on its behalf by



**Jane, Lady Gibson**  
Chair  
Director of Spirit of 2012 Trustee Limited

## Spirit of 2012

### Statement of Cash Flows

#### For the Year Ended 31 March 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	(6,031,549)	(4,372,521)
<b>Cash flows from investing activities</b>		
Interest from investments	332,246	431,408
Purchase of fixed assets and equipment	(6,581)	(5,909)
Proceeds from sale of investments	12,313,854	9,772,704
Purchase of investments	(2,704,204)	(5,466,765)
Net cash provided by investing activities	<u>9,935,315</u>	<u>4,731,438</u>
<b>Cash flows from financing activities</b>		
Net decrease/(increase) in funds on deposit	124,956	(55,286)
<b>Net movement in cash and cash equivalents in the year</b>	<u>4,028,722</u>	<u>303,631</u>
<b>Cash and cash equivalents at 1 April 2019</b>	<b>2,839,427</b>	<b>2,535,796</b>
<b>Cash and cash equivalents at 31 March 2020</b>	<b><u>6,868,149</u></b>	<b><u>2,839,427</u></b>

#### Reconciliation of net expenditure to net cash flow used in operating activities

	2020 £	2019 £
Net expenditure for the year (as per the Statement of Financial Activities)	(7,372,939)	(4,715,300)
<b>Adjustments for:</b>		
Depreciation	5,826	11,938
Losses/(Gains) on investments	946,264	(284,164)
Interest from investments	(332,246)	(431,408)
(Increase)/Decrease in debtors	(190,694)	498,697
Increase in creditors	912,240	547,716
<b>Net cash used in operating activities</b>	<b><u>(6,031,549)</u></b>	<b><u>(4,372,521)</u></b>

#### Analysis of Cash and Cash Equivalents

	2020 £	2019 £
Bank Current Accounts	6,868,149	2,839,427
	<b><u>6,868,149</u></b>	<b><u>2,839,427</u></b>



**1 Accounting Policies**

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**Preparation of the accounts on a going concern basis**

We have set out in the Trustee's report a review of financial performance and the Charity's reserves position and we have a reasonable expectation that we have the resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt the Charity's ability to continue as a going concern. The accounts have, therefore, been prepared on the basis that the Charity is a going concern.

We have reviewed the Charity's position in light of the current Covid-19 pandemic and believe that the Charity has enough reserves and cash to meet its ongoing grant commitments for the foreseeable future and therefore the going concern basis still applies.

**Grants receivable**

Grants receivable are credited to the Statement of Financial Activities in the year in which they are receivable. If a grant has not been received but has been legally committed to by the funder then it is accrued in the year of commitment.

**Income**

All income is included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy.
- The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Unrestricted income is deferred when it is received and relates to a period following the year end. Restricted income is deferred only when this relates wholly to a future period, as specified by the funder.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under Spirit's charitable activities.

**Grants payable**

Grants payable are recognised when a constructive obligation arises or where the recipient has been informed of the decision to make the award. Grants awarded are all conditional on satisfactory compliance with the terms and conditions of the award and are monitored annually. Future grant payments that are subject to annual monitoring procedures are deferred.

**1 Accounting Policies (Continued)**

**Allocation of overhead and support costs**

Overhead and support costs have been apportioned based on the value of individual grants. Consultancy fees and expenses have been allocated to the charitable activity to which the consultant's work related. The analysis of overhead and support costs is shown in note 4.

**Irrecoverable VAT**

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

**Other liabilities**

Other liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

**Tangible fixed assets**

Tangible fixed assets consist of furniture, fittings and office equipment, which are shown at cost and depreciated on a straight-line basis over their estimated useful life of five years for furniture and fittings, and three years for office equipment (including IT). All assets costing more than £300 in value are included as tangible fixed assets within the financial statements. All tangible fixed assets are subject to annual impairment reviews with any diminution in value arising expensed in the Statement of Financial Activities.

**Fixed asset investments**

Investments held as fixed assets are revalued at market value at the balance sheet date. The gain or loss for the year, which is calculated as the difference between the market value and historical cost value of investments, is taken to the Statement of Financial Activities.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and provision for bad and doubtful debts. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and in hand consists of amounts held in bank accounts with instant access and therefore readily available.

**Current asset investments**

Current asset investments consist of amounts held on deposit and are not instant access and investments which are akin to cash.

**Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**1 Accounting Policies (Continued)**

**Financial instruments**

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Pension costs**

Spirit makes contributions to a group personal pension scheme. The pension cost charge represents contributions payable by Spirit to the scheme. Any difference between amounts charged in the Statement of Financial Activities and paid to the pension scheme is shown in the balance sheet as a liability or asset.

**Fund accounting**

Unrestricted funds represent the general reserves of the Charity that can be utilised freely for the purposes of furthering the objects of the Charity. Unrestricted income comprises of investment income earned from the endowment and any other income in which no restrictions on its use applies.

Restricted funds represent income that is to be applied for specific purposes, as specified by the donor. Restricted income comprises of investment income earned from the restricted element of the endowment and any other grant income which is for specific purposes only.

Endowment funds represent an expendable endowment whereby the capital and the interest are available for use at the discretion of the Directors of the Corporate Trustee in furtherance of the general objects of the Charity and which have not been designated for any other purposes. The Directors at their discretion may transfer any interest earned on the endowment to general unrestricted funds or restricted funds.

**Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not consider there to be any estimates or judgements that are critical to the financial statements.

## Spirit of 2012

### Notes to the Financial Statements (Continued)

#### For the Year Ended 31 March 2020

## 2 Grant Income

During the year the following funds were receivable:

	2020 £	2019 £
<b>Restricted Funds</b>		
Robertson Trust - Thrive rollout programme	55,000	-
NLCF Lottery - #iWill campaign	300,000	-
DCMS - Tampon Tax Fund	547,729	-
Scottish Government - CLTSPA Fund	-	1,000,000
	<u>902,729</u>	<u>1,000,000</u>

The grant receivable in the year from DCMS represents the amounts due in the year on an arrears basis. The total grant secured amounts to £1.5 million and the remainder is due by 31 March 2021. Monies due from NLCF are for the EmpowHER project which has been extended to cover more locations and another cohort of beneficiaries. £55,000 was also received from the Robertson trust to help extend the Thrive toolkit rollout which is a joint project with the Scottish Government and Spirit of 2012 through the Changing Lives Programme.

## 3 Investment Income

	2020 £	2019 £
<b>Unrestricted Funds</b>		
Income from listed investments	233,220	409,602
Bank interest receivable	97,434	21,264
	<u>330,654</u>	<u>430,866</u>

Income from listed investments can be analysed as follows;

Fixed Interest	76,703	158,319
Equities	119,102	163,448
Alternative investments	37,415	87,835
	<u>233,220</u>	<u>409,602</u>

## Spirit of 2012

### Notes to the Financial Statements (Continued)

#### For the Year Ended 31 March 2020

#### 4 Analysis of Expenditure

Spirit awarded grants to a number of institutions in the furtherance of its charitable activities and also undertook programme development, monitoring and evaluation and communications activities.

	2020		2019	
	£	£	£	£
Grants awarded (see note 6)		6,643,601		5,307,320
Other Direct Charitable Expenditure				
Programme Development - Staff Costs	318,416		332,909	
Programme Development - Other	132,683		156,071	
Communications and Large Event Costs	37,561		97,500	
Monitoring & Evaluation	151,535		80,898	
		<u>640,195</u>		<u>667,378</u>
Direct Charitable Expenditure		<u>7,283,796</u>		<u>5,974,698</u>
Support Costs				
Governance costs	30,833		47,568	
Core Staff Costs	205,660		212,506	
Recruitment Costs	5,426		1,305	
Consultancy	5,387		1,790	
Premises Costs	24,410		18,722	
Operational Costs	65,549		47,879	
		<u>337,265</u>		<u>329,770</u>
Total Expenditure on Charitable Activities		<u>7,621,061</u>		<u>6,304,468</u>
Expenditure on Raising Funds				
Investment Managers Costs	40,589		126,404	
		<u>40,589</u>		<u>126,404</u>
		<u>7,661,650</u>		<u>6,430,872</u>
Split:				
Unrestricted funds		5,318,571		3,370,336
Restricted funds		2,302,490		2,934,132
Endowment Funds		40,589		126,404
		<u>7,661,650</u>		<u>6,430,872</u>

## 5 Analysis of costs split by Charitable Activity

## Unrestricted Funds

2020	Active £	Connected £	Creative £	Incubation £	Total £
Grants awarded Other Direct Charitable	3,193,780	983,314	190,484	72,532	4,440,110
Expenditure	278,237	152,572	103,397	6,990	541,196
Support Costs	162,378	80,378	90,828	3,681	337,265
	<b>3,634,395</b>	<b>1,216,264</b>	<b>384,709</b>	<b>83,203</b>	<b>5,318,571</b>
2019	Active £	Connected £	Creative £	Incubation £	Total £
Grants awarded Other Direct Charitable	406,520	1,137,862	944,512	4,831	2,493,725
Expenditure	59,813	367,651	118,771	606	546,841
Support Costs	87,655	183,128	58,687	300	329,770
	<b>553,988</b>	<b>1,688,641</b>	<b>1,121,970</b>	<b>5,737</b>	<b>3,370,336</b>

## Restricted Funds

2020	Active £	Connected £	Creative £	Incubation £	Total £
Grants awarded Other Direct Charitable	4,812	600,000	1,598,679	-	2,203,491
Expenditure	29,988	-	69,011	-	98,999
Support Costs	-	-	-	-	-
	<b>34,800</b>	<b>600,000</b>	<b>1,667,690</b>	<b>-</b>	<b>2,302,490</b>
2019	Active £	Connected £	Creative £	Incubation £	Total £
Grants awarded Other Direct Charitable	1,004,199	1,809,396	-	-	2,813,595
Expenditure	117,580	2,957	-	-	120,537
Support Costs	-	-	-	-	-
	<b>1,121,779</b>	<b>1,812,353</b>	<b>-</b>	<b>-</b>	<b>2,934,132</b>

Grants awarded are split across the portfolio dependent on the main theme of the particular project.

All other costs are allocated as a proportion of the total grants awarded to that theme.

For restricted funds only direct costs are charged as agreed with these specific projects.

## Spirit of 2012

### Notes to the Financial Statements (Continued)

#### For the Year Ended 31 March 2020

#### 6 Grants Awarded

The following grants were payable during the year to projects under the 4 programme headings. These figures include adjustments at the end of projects as well as new grants awarded.

Active	2020	2019	2020		2019	
	No.	No.	£	£	£	£
<u>Sporting Equality Fund</u>						
* Fife Council	-	-	-		(1,849)	
* Fighting Change Project	-	-	-		(12,425)	
* North Ayrshire Leisure	-	1	-		2,500	
* Netball Scotland	-	1	-		20,000	
* Scottish Women Warriors Basketball Club	-	-	-		(11,969)	
* Scottish Youth Dance	-	-	-		(281)	
* Z1 Girls Group	-	-	-		(2,338)	
	<u>-</u>	<u>2</u>	<u>-</u>		<u>(6,362)</u>	
<u>Changing Lives through Sport and Physical Activity Fund</u>						
* Achieve More Scotland	-	1	-		64,160	
* Active Communities Scotland	-	1	-		69,985	
* Active Stirling	-	1	-		42,151	
* Big Hearts Community Trust	-	1	-		69,782	
* Forth Valley College Foundation	-	1	-		57,000	
* Greenock Morton Community Trust	-	1	-		66,218	
* Inch Park Community Sports Hub	-	1	-		54,003	
* Lord's Taverners	-	1	-		50,000	
* Netball Scotland	-	1	-		61,205	
* North Ayrshire Leisure Ltd	-	1	-		69,260	
* Paths for All Partnership	-	1	-		50,000	
* Scottish Association for Mental Health	-	1	-		69,787	
* Scottish Sports Futures	-	1	-		51,600	
* Sport Aberdeen	-	1	-		47,772	
* Sporting Memories Network	-	1	-		69,872	
* Street Soccer Scotland Ltd	-	1	-		53,761	
* Youth Scotland	-	1	-		69,960	
	<u>-</u>	<u>17</u>	<u>-</u>		<u>1,016,516</u>	
* Legacy 2014	-	-	4,812		(5,955)	
Activity Alliance	1	1	3,000,000		10,000	
British Olympic Federation	1	-	193,780		-	
Laureus Sport for Good Foundation	-	1	-		199,920	
Access Sport	-	1	-		196,600	
	<u>2</u>	<u>3</u>	<u>3,198,592</u>		<u>400,565</u>	
<b>Total Active</b>	<u>2</u>	<u>22</u>		<u>3,198,592</u>		<u>1,410,719</u>
<b>Carried forward to next page</b>	2	22	-	3,198,592		1,410,719

\* - Restricted Funds

Spirit of 2012

Notes to the Financial Statements (Continued)

For the Year Ended 31 March 2020

6 Grants Awarded (continued)

	2020 No.	2019 No.	2020 £		2019 £	
<b>Brought forward from previous page</b>	2	22		3,198,592		1,410,719
<b>Connected</b>						
* UK Youth	1	1	600,000		1,809,396	
Jo Cox Foundation	1	-	997,000		-	
UpRising Leadership	-	1	-		500,000	
Absolutely Cultured	-	1	-		600,000	
Springboard Communities	-	1	-		450,000	
England Athletics	-	-	(13,686)		(379,343)	
Comic Relief	-	-	-		(22,249)	
UK Community Foundation	-	-	-		(9,857)	
Southbank Centre	-	-	-		(689)	
<b>Total Connected</b>	<b>2</b>	<b>4</b>		<b>1,583,314</b>		<b>2,947,258</b>
<b>Creative</b>						
Coventry City of Culture	-	1	-		200,000	
Youth Cymru	-	1	-		72,896	
My Pockets Music	-	1	-		149,525	
Canolfan Gerdd	-	1	-		198,189	
More Music	-	1	-		39,950	
DARTS	-	1	-		184,952	
Beacon Films	-	1	-		99,000	
Creative Arts East	1	-	199,879		-	
Mighty Creatives	-	-	(9,395)		-	
	<b>1</b>	<b>7</b>	<b>190,484</b>		<b>944,512</b>	
<b>Carers' Music Fund</b>						
* Barnardo's	1	-	55,618		-	
* Blackpool Carers Centre	1	-	238,864		-	
* Feis Rois	1	-	59,998		-	
* Jack Drum Arts	1	-	120,140		-	
* Midland Arts Centre	1	-	219,999		-	
* My Pockets People	1	-	156,651		-	
* Noise Solution	1	-	227,272		-	
* Northamptonshire Carers	1	-	239,005		-	
* Oh Yeah Music	1	-	59,800		-	
* UK Youth	1	-	221,332		-	
	<b>10</b>	<b>-</b>	<b>1,598,679</b>		<b>-</b>	
<b>Total Creative</b>	<b>11</b>	<b>7</b>		<b>1,789,163</b>		<b>944,512</b>
<b>Carried forward to next page</b>	<b>15</b>	<b>33</b>		<b>6,571,069</b>		<b>5,302,489</b>

\* - Restricted Funds



Spirit of 2012

Notes to the Financial Statements (Continued)

For the Year Ended 31 March 2020

6 Grants Awarded (continued)

	2020 No.	2019 No.	2020 £	2019 £
<b>Brought forward from previous page</b>	15	33	6,571,069	5,302,489
<b>Incubation</b>				
FODIP	-	1	-	5,000
Great Get Together micro grants	27	-	7,658	-
Jo Cox Foundation	1	-	19,984	-
The WOW Foundation	1	-	19,890	-
COIN/Belong	1	-	25,000	-
Heritage Lottery Fund	-	-	-	(169)
<b>Total Incubation</b>	<u>30</u>	<u>1</u>	<u>72,532</u>	<u>4,831</u>
<b>Totals</b>	<u><b>45</b></u>	<u><b>34</b></u>	<u><b>6,643,601</b></u>	<u><b>5,307,320</b></u>
Split:				
Unrestricted funds			4,440,110	2,493,725
Restricted funds (*)			2,203,491	2,813,595
			<u>6,643,601</u>	<u>5,307,320</u>

## Spirit of 2012

### Notes to the Financial Statements (Continued)

#### For the Year Ended 31 March 2020

#### 7 Grant Commitments

Below are pre-existing grant commitments, recognised at the beginning of the year, and the balances of those commitments recognised at the end of the year. It itemises new grant commitments made during the year, grants paid against both pre-existing and new commitments.

2020	Grant commitments at 1 Apr 2019	New grant commitments	Grants paid	Grants closed / underspent	Grant commitments at 31 Mar 2020
	£	£	£	£	£
Active	2,247,440	3,193,780	(2,352,648)	4,812	3,093,384
Connected	3,627,985	1,597,000	(2,181,661)	(13,686)	3,029,638
Creative	908,084	1,798,583	(1,166,388)	(9,421)	1,530,858
Incubation Fund	-	73,581	(62,533)	(1,048)	10,000
	<b>6,783,509</b>	<b>6,662,944</b>	<b>(5,763,230)</b>	<b>(19,343)</b>	<b>7,663,880</b>

2020	Grants Payable within one year	Grants Payable over one year	Grant commitments at 31 Mar 2020
	£	£	£
Active	1,095,851	1,997,533	3,093,384
Connected	1,978,163	1,051,475	3,029,638
Creative	1,287,840	243,018	1,530,858
Incubation Fund	10,000	-	10,000
	<b>4,371,854</b>	<b>3,292,026</b>	<b>7,663,880</b>

2019	Grant commitments at 1 Apr 2018	New grant commitments	Grants paid	Grants closed / underspent	Grant commitments at 31 Mar 2019
	£	£	£	£	£
Active	2,823,501	1,423,036	(1,986,780)	(12,317)	2,247,440
Connected	2,438,783	3,359,396	(1,777,426)	(392,768)	3,627,985
Creative	871,804	944,512	(908,232)	-	908,084
Incubation Fund	105,000	5,000	(109,831)	(169)	-
	<b>6,239,088</b>	<b>5,731,944</b>	<b>(4,782,269)</b>	<b>(405,254)</b>	<b>6,783,509</b>

2019	Grants Payable within one year	Grants Payable over one year	Grant commitments at 31 Mar 2019
	£	£	£
Active	1,829,134	418,306	2,247,440
Connected	2,079,604	1,548,381	3,627,985
Creative	568,095	339,989	908,084
Incubation Fund	-	-	-
	<b>4,476,833</b>	<b>2,306,676</b>	<b>6,783,509</b>

These commitments are included as creditors in notes 15 and 16.

## Spirit of 2012

### Notes to the Financial Statements (Continued)

#### For the Year Ended 31 March 2020

#### 8 Staff Costs

	2020 £	2019 £
Wages and salaries	434,371	457,600
Social security costs	42,619	42,122
Pension contributions	46,989	45,693
<b>Total staff costs</b>	<b>523,979</b>	<b>545,415</b>

During the year employees earning in excess of £60,000 per annum, including taxable benefits apart from employer pension contributions, are as follows;

	2020 No.	2019 No.
£70,000 - £79,999	-	2
£80,000 - £89,999	1	-
	<b>1</b>	<b>2</b>

The total amount of pension benefits for these higher paid employees was £8,806 (2019: £16,040)

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis comprise of the Board Members, Chief Executive, Head of Finance and Operations and Head of Programmes and Impact. The role of Director of Policy and Research was also part of this team in 2019 before a restructure in 2020 removed the post. Total remuneration (gross pay, employer pension contributions and national insurance) for key management personnel was £215,880 (2019: £230,897).

No Director of the corporate trustee received any remuneration during the year. Eight Directors received £3,535 for the reimbursement of expenses incurred relating to Spirit activities (2019: Nine Directors receiving £4,176). Expenses incurred included for travel, subsistence and accommodation.

The average headcount number of employees analysed by function was:

	2020 No.	2019 No.
Project staff	5.5	5.5
Management and Administration	4.5	5.0
	<b>10.0</b>	<b>10.5</b>

## Spirit of 2012

### Notes to the Financial Statements (Continued)

#### For the Year Ended 31 March 2020

#### 9 Net expenditure is stated after charging:

	2020 £	2019 £
Auditors' remuneration for audit services (incl. VAT)	7,320	7,320
Investment Management Fees	40,589	126,404
Travel, subsistence and hospitality costs	16,529	17,614
Directors' Indemnity Insurance	1,410	1,449
Fees and expenses of the Protector	10,000	10,000
Operating lease costs (office rentals)	72,597	57,900

Investment Management Fees are payable quarterly based on the portfolio value managed and are in line with current market rates for this service.

#### 10 Taxation

Spirit of 2012 is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in the furtherance of Spirit's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Spirit is not registered for VAT and accordingly, all of its expenditure is recorded inclusive of VAT incurred.

#### 11 Tangible Fixed Assets

	Office Equipment £	Furniture and Fittings £	Total 2020 £
All used for direct charitable purposes			
<b>Cost</b>			
At 1 April 2019	29,246	18,513	47,759
Additions	5,785	796	6,581
Disposals	(1,916)	-	(1,916)
At 31 March 2020	<u>33,115</u>	<u>19,309</u>	<u>52,424</u>
<b>Depreciation</b>			
At 1 April 2019	21,223	18,152	39,375
Charges for the year	5,421	405	5,826
Eliminated on disposals	(1,916)	-	(1,916)
At 31 March 2020	<u>24,728</u>	<u>18,557</u>	<u>43,285</u>
<b>Net book value</b>			
At 31 March 2020	<u>8,387</u>	<u>752</u>	<u>9,139</u>
At 31 March 2019	<u>8,023</u>	<u>361</u>	<u>8,384</u>

## Spirit of 2012

### Notes to the Financial Statements (Continued)

#### For the Year Ended 31 March 2020

#### 12 Investments

	2020		2019	
	Cost £	Market value £	Cost £	Market value £
<b>Listed Investments</b>				
Fixed Interest	3,690,723	3,535,981	4,551,595	4,584,877
Equities	3,776,061	3,795,494	3,455,719	3,979,957
Alternative investments	3,547,435	3,278,060	11,544,788	12,564,440
	<u>11,014,219</u>	<u>10,609,535</u>	<u>19,552,102</u>	<u>21,129,274</u>

Alternative investments are those outside traditional cash, bonds and equities. These include commodities, real estate funds and hedge funds.

	2020 £	2019 £
At 1 April 2019	21,129,274	25,151,049
Additions in the year	2,704,204	5,466,765
Disposals in the year	(12,313,854)	(9,772,704)
Realised net gains in the year	1,071,259	457,028
Unrealised net losses in the year	(1,981,348)	(172,864)
Balance at 31 March 2020	<u>10,609,535</u>	<u>21,129,274</u>

Individual assets, and their market values at 31 March 2020, representing over 5% of the investment portfolio are as follows:

	£	£
BNP Linker Note on HSCEI, TAMSCI 03 Feb 2020	-	5,377,500
GS Linker - Call Note on SX5E RTY, 21 Nov 2019	-	4,585,112

#### 13 Investments: Short Term Deposits

	2020		2019	
	Cost £	Market value £	Cost £	Market value £
Short term investments	<u>603,296</u>	<u>569,901</u>	<u>731,627</u>	<u>731,032</u>
			2020 £	2019 £
At 1 April 2019			731,032	675,746
Additions in the year			1,017,473	638,694
Disposals in the year			(1,142,429)	(583,408)
Realised net gains in the year			4,687	-
Unrealised net losses in the year			(40,862)	-
Balance at 31 March 2020			<u>569,901</u>	<u>731,032</u>

## Spirit of 2012

### Notes to the Financial Statements (Continued)

#### For the Year Ended 31 March 2020

##### 14 Debtors

	2020 £	2019 £
Trade Debtors	27,596	-
Other Debtors	17,864	41,995
Prepayments	26,348	33,818
Accrued Income	202,018	7,319
	<b>273,826</b>	<b>83,132</b>

##### 15 Creditors - Amounts falling due within one year

	2020 £	2019 £
Trade creditors	74,923	15,381
Grants payable	4,371,854	4,476,833
Accruals	34,500	62,173
	<b>4,481,277</b>	<b>4,554,387</b>

##### 16 Creditors - Amounts falling due after one year

	2020 £	2019 £
Grants payable	<b>3,292,026</b>	<b>2,306,676</b>

##### 17 Funds

At the year end, a sum equivalent to the total value of charitable expenditure was converted to unrestricted income from the endowment fund.

	At 1 April 2019 £	Income £	Expenditure £	Investment Losses / Transfers £	At 31 March 2020 £
Endowment Funds	15,347,139	-	(40,589)	(6,264,835)	9,041,715
Restricted Funds	243,141	904,321	(2,302,490)	700,000	(455,028)
Unrestricted Funds	2,339,906	330,654	(5,318,571)	4,618,571	1,970,560
<b>Total Funds</b>	<b>17,930,186</b>	<b>1,234,975</b>	<b>(7,661,650)</b>	<b>(946,264)</b>	<b>10,557,247</b>
<b>Prior year comparative</b>	<b>At 1 April 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Investment Losses / Transfers £</b>	<b>At 31 March 2019 £</b>
Endowment Funds	18,559,715	284,164	(126,404)	(3,370,336)	15,347,139
Restricted Funds	1,176,731	1,000,542	(2,934,132)	1,000,000	243,141
Unrestricted Funds	2,909,040	430,866	(3,370,336)	2,370,336	2,339,906
<b>Total Funds</b>	<b>22,645,486</b>	<b>1,715,572</b>	<b>(6,430,872)</b>	<b>-</b>	<b>17,930,186</b>

## Spirit of 2012

### Notes to the Financial Statements (Continued)

#### For the Year Ended 31 March 2020

#### 18 Restricted Funds

	At 1 April 2019	Income	Expenditure	Transfers	At 31 March 2020
	£	£	£	£	£
EmpowHER project	188,189	301,592	(600,000)	300,000	189,781
Changing Lives Fund	54,952	55,000	(34,800)	-	75,152
Carers' Music Fund	-	547,729	(1,667,690)	400,000	(719,961)
	<b>243,141</b>	<b>904,321</b>	<b>(2,302,490)</b>	<b>700,000</b>	<b>(455,028)</b>

EmpowHER is a project that started in 2018-19 with the award of a grant to UK Youth. The project was launched to mark the centenary of women's suffrage and aims to develop and skill up young women and girls to use their voices for positive change. Spirit invested £1 million in this fund to match the £1 million contribution from the National Lottery Community Fund as part of their #iWill campaign. During 2019-20 a further £300,000 was contributed by the #iWill campaign and matched again by Spirit. This has extended the programme to other locations and an additional cohort of beneficiaries.

During the year the Changing Lives programme continued to deliver across its 17 projects. This is a programme jointly funded by Spirit, the Scottish Government and the Robertson Trust. The programme has also invested in rolling out the Thrive toolkit and engaged Evaluation Sport Scotland and Agile CIC to deliver this. Robertson Trust contributed £55,000 towards this rollout during 2019-20.

In April 2019, Spirit secured a £1.5 million grant from the Department of Digital, Culture, Media and Sport through the Tampon Tax Fund. This is to fund the Carers' Music Fund which delivers 10 projects across the UK for women with caring responsibilities. Spirit has contributed £400,000 towards the fund to cover evaluation costs as well as support for the 'Cared for' to assist attendance at sessions by participants. This restricted fund is showing as negative due to the grant agreement structure of the Carers' Music Fund. DCMS awarded Spirit of 2012 £1.5 million for the fund but, because the grant is paid in arrears, only the proportion that has been received in the year is included as income. The full amount of grants awarded by Spirit of 2012 has been accrued because we have committed to this full amount for the 10 onward grants in the fund and this has been included as expenditure. This fund will return to a positive position as the projects incur the expected delivery costs and we receive the next quarterly payment in arrears from DCMS.

Prior year comparative	At 1 April 2018	Income	Expenditure	Transfers	At 31 March 2019
	£	£	£	£	£
Legacy 2014 Fund	129,670	-	(82,689)	(46,981)	-
Sporting Equality Fund	47,061	-	(22,574)	(24,487)	-
EmpowHER project	1,000,000	542	(1,812,353)	1,000,000	188,189
Changing Lives Fund	-	1,000,000	(1,016,516)	71,468	54,952
	<b>1,176,731</b>	<b>1,000,542</b>	<b>(2,934,132)</b>	<b>1,000,000</b>	<b>243,141</b>

## Spirit of 2012

### Notes to the Financial Statements (Continued)

#### For the Year Ended 31 March 2020

#### 19 Endowment Funds

At 1 April 2019	Realised Gains £	Unrealised Losses £	Converted to Income £	Investment Manager's Fees £	At 31 March 2020 £
<b>15,347,139</b>	<b>1,075,946</b>	<b>(2,022,210)</b>	<b>(5,318,571)</b>	<b>(40,589)</b>	<b>9,041,715</b>

Endowment Funds consist of an expendable endowment which is described in the Accounting Policy on page 31.

Prior year comparative	At 1 April 2018	Realised Gains £	Unrealised Losses £	Converted to Income £	Investment Manager's Fees £	At 31 March 2019 £
	<b>18,559,715</b>	<b>457,028</b>	<b>(172,864)</b>	<b>(3,370,336)</b>	<b>(126,404)</b>	<b>15,347,139</b>

#### 20 Net assets by Fund

	Fixed Assets £	Net Current Assets / (Liabilities) £	Long term Creditors £	Net Assets £
<b>2020</b>				
Endowment Funds	10,609,535	(1,567,820)	-	9,041,715
Restricted Funds	-	(300,263)	(154,765)	(455,028)
Unrestricted Funds	9,139	5,098,682	(3,137,261)	1,970,560
<b>Total Funds</b>	<b>10,618,674</b>	<b>3,230,599</b>	<b>(3,292,026)</b>	<b>10,557,247</b>
<b>2019</b>				
Endowment Funds	21,129,274	(5,782,135)	-	15,347,139
Restricted Funds	-	1,013,874	(770,733)	243,141
Unrestricted Funds	8,384	3,867,465	(1,535,943)	2,339,906
<b>Total Funds</b>	<b>21,137,658</b>	<b>(900,796)</b>	<b>(2,306,676)</b>	<b>17,930,186</b>

#### 21 Related Party Transactions

Spirit, because of its nature, has close working relationships with a number of organisations which the Corporate Trustee Directors are involved with.

Alex Johnston, a member of Spirit staff, became a trustee Board member of Evaluation Support Scotland (ESS) in September 2019. Spirit awarded ESS a contract with a value of £33,100 for work on the Thrive rollout project which was approved by the Spirit Board in October 2019. Alex was not part of the decision process to approve the contract and ESS is a contractor that Spirit has used to develop the toolkit so is continuing to provide support in the rollout. The tender for this work was an open tender for other organisations to apply for and ESS, along with Agile, were the only applicants for the contract. Both were awarded the work.

There were no other related party transactions that require disclosure.



## Spirit of 2012

### Notes to the Financial Statements (Continued)

#### For the Year Ended 31 March 2020

#### 22 Corporate Trustee

Spirit of 2012 has only one Trustee, being Spirit of 2012 Trustee Limited.

#### 23 Commitments Under Operating Leases

As at 31 March 2020 the total future minimum lease payments under non-cancellable operating leases were as follows:

	Land and Buildings	
	2020	2019
	£	£
Payments due:		
Within one year	72,262	70,362
Between one and two years	54,196	70,362
Between two and five years	-	52,772
	<b>126,458</b>	<b>193,496</b>

#### 24 Post Balance Sheet Events

At the Board meeting in April 2020, a grant was awarded to More Music through Extended Impact to continue and expand their Singing for Health project. The grant award is for £130,000 and a 2 year extension to the project.

The full effects of the COVID-19 crisis are still unknown but we are working closely with our grantees to ensure that they can move to deliver safe projects where possible using social distancing or through digital platforms. We do not see any immediate changes to our committed grants at the moment and still hope to complete all of our current projects though maybe in a slightly different format to that originally planned.

Our investment portfolio has been hit quite hard in the month before the year end due to the COVID-19 crisis. We are pleased to see that we are starting to see some good recovery to date which has clawed back the majority of those losses. Spirit also has strong cash reserves which will mean that we can meet all of our grant commitments and operational costs for at least the next 12-14 months without the need to sell any other investments, giving our portfolio some time to recover.

#### 25 Legal form of Spirit of 2012

Spirit of 2012 is registered as a Charity in England and Wales with the Charity Commission (Registered number 1155110). Its address registered with the Charity Commission is Room S100, New Wing, Somerset House, Strand, London WC2R 1LA which is also its principal place of business.

## Spirit of 2012

### Report of the Protector

#### For the Year Ended 31 March 2020

#### Background

I took up my appointment as Protector of Spirit of 2012 ("Spirit") in January 2014 for an initial three-year term. This was subsequently extended for a second three-year term until the end of December 2019 and for a further three-year term until the end of December 2022. I am required under the terms of the Trust Deed dated 7 October 2013 to prepare a statement for publication by the Trustee in its Annual Report which explains the function of the Protector, how that function has been exercised and, where appropriate, identifies any areas of administration of the Charity which require improvement, and the steps to be taken by the Trustee to effect such improvement. The sole Trustee of the Charity is Spirit of 2012 Trustee Limited ("the Trustee"), a private Company limited by guarantee established for that purpose.

#### Function of the Protector

Under the Trust Deed the Protector has a fiduciary duty to ensure the integrity of the administration of the Charity and the propriety of its procedures.

Although the Protector is not involved in decision taking within the Charity, the Trust Deed stipulates that his consent is required in certain specified situations. The Protector is also required to report on any matters of serious concern to the Big Lottery Fund, now The National Lottery Community Fund ("TNLCF"), as the Founder of Spirit, or to the Charity Commission.

The function of the Protector is therefore to ensure that the Trustee administers the Charity properly and applies the Charity's property in accordance with the Trust Deed. Spirit received an original expendable endowment of £40million from TNLCF in December 2013, to which a further £7million was added to provide funding for six projects under the *Keeping the Spirit of 2012 Alive* programme, the management of which was novated to Spirit, and to support the development of a Theory of Change and Monitoring and Evaluation Framework.

#### Objects of the Charity

The Objects of Spirit are set out in the Trust Deed, as amended, and provide for the promotion of the following charitable purposes for the benefit of the public throughout the United Kingdom of Great Britain and Northern Ireland:

- the advancement of education of children and young people including, but not limited to, sporting and cultural activities by encouraging good citizenship;
- increasing the effectiveness and efficiency of the Voluntary Sector by encouraging members of the public to engage in activities to help others on a voluntary basis;
- the development of the capacity and skills of members of socially and economically or socially disadvantaged communities in such a way that they are better able to identify and help meet their own needs and to participate more fully in society; and
- promoting greater understanding, and meeting the needs, of people with disabilities and thereby encourage their social inclusion and to use training and other activities to build their confidence and inspire others.

#### Administration of the Charity

I attended all four Board meetings, three meetings of the Finance and Investment Committee ("the FIC"), and one meeting of the Audit and Risk Committee ("the ARC"). I also followed the deliberations of the Programme Impact Evaluation Committee ("the PIE").

## Spirit of 2012

### Report of the Protector

#### For the Year Ended 31 March 2020

I corresponded with the Chair and the Chief Executive in the lead up to board meetings, and otherwise as circumstances required, as part of my responsibility to keep matters under regular review. There were no matters of significant concern to raise with TNLCF or the Charity Commission. The ARC, and the Board in turn, continued to scrutinise closely the Risk Register maintained by the Executive Team, focusing on those risks thought to be of particular concern.

I am satisfied that the Charity has continued to be properly administered in accordance with the terms of the Trust Deed in the year under review.

#### The Board of the Trustee

The decision, made at the Board Residential in April 2019, after full discussion of the options, to commit the balance of the existing endowment by the end of 2022 and to complete the spend out by 2026 at the latest, set the context for the development of a new vision for the remainder of Spirit's life culminating in the launch of *Happier People, Happier Places* in January 2020. Spirit's refreshed mission to build sustainable social legacies from the inspiration of events, investing to improve how people feel about themselves, other people and their communities falls firmly within the provisions of the Trust Deed.

The Board continued to benefit from the combined, and complementary, experience of longstanding and new Directors who have shown full commitment through their attendance and contributions, focusing on all aspects of the Charity's work from the ongoing effective development of its grant and learning programmes to the careful stewardship of its resources, and a review of its governance to ensure compliance with the Charity Governance Code. This has been achieved under the dedicated lead of Jane Lady Gibson who was unanimously appointed as Chair in October 2019 following the completion of the strategy review and an assessment of the requirements of the role. The appointment of two further Directors to fill vacancies has understandably been put on hold until after the current coronavirus pandemic.

#### The Programmes

An update on the delivery of the grants programme, the evidence of impact, the development of learning, and a full analysis of spending is set out in the Trustee's Report and Financial Statements. The level of spending commitment and the amount of income or match funding generated to date has been maintained in line with agreed projections.

Spirit's determination, driven by the PIE and Executive Team, to combine innovative and effective grant making with a commitment to achieve meaningful and sustained impact and to ensure that its learning is widely shared has again been amply demonstrated. This has been further enhanced by Spirit's deliberate approach in working closely with other funders, stakeholders, and grantees.

The important contributions of the Youth Advisory Panel and the Spirit of Achievement Panel continued to demonstrate Spirit's key commitment to advancing opportunities for young people and promoting inclusiveness and the diversity of its beneficiaries.

#### Finance and Investment

The performance of Spirit's investment managers Barclays Wealth and Investment Management ("Barclays") in managing the investment portfolio has been monitored on a quarterly basis by the FIC, and more regularly by the Chair of FIC and the Head of Finance and Operations. This has enabled the Board to continue to fulfil its financial oversight role. Overall performance has remained broadly in line with the

## **Spirit of 2012**

### **Report of the Protector**

#### **For the Year Ended 31 March 2020**

targets set by the Board and has compared satisfactorily against the markets, including during the recent volatility and uncertainty brought on by the coronavirus pandemic.

The appointment of a new Chair of the FIC in July 2019 provided the opportunity for a further examination of Spirit's investment arrangements including investment strategy, the clear presentation of financial information, and fee arrangements. A review and update of investment policy, including the liquidity of holdings, is planned as Spirit moves deeper into its spend out phase. The cash position is kept under regular review to ensure that drawdown requirements can readily be met.

#### **The Executive Team**

Much of the credit for Spirit's evident progress and success must go to Debbie Lye who stood down as Chief Executive in July 2019 after steering the Charity through its critical formative years. The appointment of Ruth Hollis, previously Spirit's Director of Policy and Research, as her successor has provided not only welcome continuity but the opportunity to refresh and develop Spirit's approach in the second half of its existence.

The staff team has provided expert guidance and support to the Board, the Committees, and the Panels, focusing on clear and concise presentation of information and reporting so as to enable properly informed discussion, robust decision-making, and full project review. The comprehensive procedures that have been put in place have meant that the staff team has been able to respond and adapt effectively and quickly to the unprecedented challenges imposed by the coronavirus outbreak.

#### **Looking Ahead**

With the comprehensive strategic review complete and the key decision made that Spirit's active operations will be finite and time limited, the focus of the Board has now turned to devoting the remaining six years of Spirit's life to maximising its impact and legacy in making a lasting change to how people feel about themselves and their communities.

The Board has set out five priorities which are to: build the evidence base, work in partnership, break down barriers, champion genuine inclusion, and influence. The full commitment of the Board and Executive Team suggests that the prospects of achieving these aims are encouraging.



#### **Jon Siddall**

Protector, Spirit of 2012

8 July 2020